



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Tommy G. Thompson
Governor

Connie L. O'Connell
Commissioner

October 17, 2000

121 East Wilson Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
E-Mail: information@oci.state.wi.us
http://badger.state.wi.us/agencies/oci/oci_home.htm

Mr. Stephen E. Bablitch
Vice President & General Counsel
Blue Cross and Blue Shield United of Wisconsin
401 West Michigan Street
Milwaukee WI 53203

RE: Foundation; BCBSUW Stock Conversion

Dear Mr. Bablitch:

This letter confirms that the Office asks that BCBSUW take the steps necessary to activate the foundation contemplated by subsection (3) of the Order dated March 28, 1999. The Office anticipates that BCBSUW will accomplish the following, subject to the supervision of the Office to ensure that the independence of the foundation is not compromised:

1. Convene a meeting of the board of directors of the foundation.
2. Assist the board of directors with administrative support until such time the board retains its own administrative support. The Office expects that the board will move promptly to establish access to independent administrative support.
3. Provide any administrative support necessary to permit the board to promptly retain independent legal counsel and other professional services.
4. Establish a mechanism, in a form determined by the Office to be consistent with the Order, to provide funds as contemplated by subsection (3).

Sincerely,

Randy Blumer
Deputy Commissioner